

Local car dealership gets reuse funds to remodel business

Written by Elizabeth Barrett
Friday, 13 September 2013 14:50 -

Pony Express Chevrolet to pay back CDBG loan

When Pony Express Chevrolet is ready to access \$275,000 in city reuse funds, the money will be waiting.

Following a public hearing Sept. 3, the Gothenburg City Council granted a request from dealership owners Gary and Deb Mrocek for a loan that will help remodel the dealership.

Jen Wolf, director of Dawson Area Development, said the application met the criteria to loan the money and noted that the Mroczeks plan to spend \$875,000 on improvements.

Wolf said the Community Development Block Grant reuse funds will be paid back over 10 years.

Of the funds, \$5,000 will be paid to DAD to administrate the grant with the balance to fund improvements.

Although the plan was to start construction this summer, Gary said Friday that the bids were more than he anticipated.

Still, he said he plans to move forward but doesn't know when.

DAD now re-loans reuse funds for economic development projects in Gothenburg which used to go through the city.

However by using a non-profit organization like DAD to administer the funds, Wolf said they

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don't have to deal with federal and state guidelines that can be burdensome.

When asked what would be left to loan in reuse funds after the \$275,000 is loaned, Wolf said not much but noted payments from other money loaned will start coming in and that sales tax money is available.

City attorney Mike Bacon pointed out that two Rural Economic Development Loans and Grants (REDLEG) will be paid back within the next 10 years.

"We won't denude ourselves of the ability to help smaller projects," Bacon said.

In other action, the council awarded a \$1,500 contract to DAD to administrate a downtown revitalization grant.

DAD's bid was the only one received.

Earlier this year the council approved \$11,475 toward the development of a downtown assessment plan.

The plan is needed to apply for phase two of a CDBG grant which could bring \$350,000 into the community for downtown revitalization projects.

Generally an area on the east edge of the sale barn property west to All Points Cooperative and north of Highway 30 to 11th Street is what will benefit from a downtown revitalization grant.

On a related matter, members also approved special conditions for the grant that include such things as the hosting of meetings, putting in place fair housing procedures and an environmental review.

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Wolf noted that the city received a similar grant in 2008.

She said they'll look at what hasn't been done in that study, what they intend to do with the grant money, examine the needs of business owners and the downtown and define priorities.

A suggestion to fix up a building for incubator businesses never came to fruition or a warehouse for cooperative storage, she said.

Wolf said she'd also like to hire someone to design what business facades could look like.

"We don't want to spend a lot of money because it's conceptual and they may not want to do it," she said.

The revitalization plan will be turned into the state in the spring and if successful, the grant will be awarded in July of 2014.

In other business, the council:

appointed Joni Bernie to the Gothenburg Housing Authority board to replace Victoria Haveriland.

decided to change residential electrical inspections from a city to a state inspector but won't take action until a later meeting because a change in the ordinance is needed first.

Council members have discussed the issue in the past and, because electrical foreman Mike Libich has a serious illness, decided to go ahead.

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Libich has done residential inspections in the past and the state performs commercial inspections. However the city charges \$30 for residential inspections which will increase to \$185 under the new system.

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